

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2990-01  
Bill No.: HB 1362  
Subject: Makes various changes regarding Medicaid eligibility and nursing home requirements.  
Type: Original  
Date: February 5, 2002

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**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON STATE FUNDS</b>                          |   |   |   |
|---|---|---|---|
| <b>FUND AFFECTED</b>  | <b>FY 2003</b>                                  | <b>FY 2004</b>                                  | <b>FY 2005</b>                                  |
| General Revenue   | (Unknown exceeding<br>\$14,130,613)             | (Unknown exceeding<br>\$24,331,985)             | (Unknown exceeding<br>\$26,113,944)             |
|   |   |   |   |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>State Funds</b> | <b>(Unknown<br/>exceeding<br/>\$14,130,613)</b> | <b>(Unknown<br/>exceeding<br/>\$24,331,985)</b> | <b>(Unknown<br/>exceeding<br/>\$26,113,944)</b> |

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                           |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>   | <b>FY 2003</b> | <b>FY 2004</b> | <b>FY 2005</b> |
| Federal Funds  |                |                |                |
|  |                |                |                |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds*</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

\* Revenues and expenses unknown to exceed \$37 million annually and net to \$0.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2003</b> | <b>FY 2004</b> | <b>FY 2005</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 15 pages.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Health and Senior Services (DOH)** provided the following assumptions for the proposed legislation:

#### **Division of Health Standards & Licensure:**

For the purpose of this cost estimation, the DOH assumes the "final inspection report" referred to in the proposed legislation is a summarized statement of deficiencies. However, if the sponsor intends to publish complaint investigation results in addition to statements of deficiencies, the estimated number of reports to be published should be revised.

Currently, the DOH is required to inspect long-term care facilities two times each year. Following each inspection the department issues a statement of deficiencies to the facility operator that fully describes each deficiency noted during the inspection. Since there are approximately 1,000 licensed long-term care facilities inspected twice each year, it is estimated that 2,000 (1,000 x 2 inspections) statements of deficiencies will be issued annually.

The department estimates it will cost \$80 to publish a summarized statement of deficiencies in the newspaper, so it is estimated that it will cost approximately \$160,000 (2,000 x \$80) to publish the required reports each year.

It is estimated that each week a staff member would need to ensure an estimated 38 (2000 reports/52 wks) statements of deficiencies are published, as required by law, in local newspapers. The staff member would need to determine which reports to publish, make certain each report is summarized, submit the reports for publication in a local newspaper near the facility location, and ensure required time frames are met. The department estimates it would need one Health Program Representative I (HPR I) to handle the process of publishing the statements of deficiencies as outlined in the proposed legislation.

#### **Division of Senior Services:**

#### **In determining the fiscal impact of this bill, the division has made the following assumptions:**

- The Department of Social Services (DOS) - Division of Family Services will calculate the fiscal impact associated with determining eligibility for under the new requirements
- DOS - Division of Medical Services will determine the fiscal impact associated with the cost of services for the new group of eligible recipients
- DOS - Division of Legal Services will determine the fiscal impact associated with the cost of any administrative hearings.

#### **ASSUMPTION** (continued)

The expansion of Medicaid eligible recipients is anticipated to increase the number of Medicaid eligible in-home service recipients. Therefore, it is reasonable to estimate that the new Medicaid recipients will access in-home services through the Division of Senior Service's Home and Community Services at the same rate as the current population.

Additionally, it is projected the client population will grow at a rate of 3.41% per year based upon the growth experienced in the Old Age Assistance (OAA) and Permanently and Totally Disabled (PTD) population as provided by the Division of Medical Services.

**Projected Eligibles:**

Based on information provided by the Division of Family Services, it is projected that **13,096** persons will be eligible under the new resource limit (\$3,000 for an individual and \$5,000 for couple). This projection includes **5,858** Qualified Medicare Beneficiaries (QMB) and **4,245** new Specified Low-income Medicare Beneficiaries (SLMB) recipients.

The remaining **2,993** eligibles are new cases which are expected to come from the general population and could qualify for benefits based on their age or disability. It is estimated that all of the QMB, SLMB, and new cases from the general population will qualify under the raise in resource limits.

**Staffing Based on Individuals Qualifying based on Resources Limits:**

According to the DOS, in FY03 the department will serve 188,054 Medicaid eligibles and approximately 28.95% of these are projected to be in-home services clients (54,438/188,054). Based on the 28.95% participation for in-home services, the division estimates 3,791 (13,096 x 28.95%) additional Medicaid recipients that will access home care as an alternative to facility placement.

Based on an assumption that these clients will enter the Medicaid program who previously would not have qualified for the program, the division estimates **3,791 will require case management in the first year**. Based on a growth factor of 3.41%, the division estimates that **3,920** (3,791 x 103.41%) **eligibles will enter the program in the second year and 4,054** (3,785 x 103.41% x 103.41%) **in the third year of the program**.

Therefore, the division will require **47 SSW positions in the first year** to case manage the new Medicaid eligibles based on the current average caseload size of 80 cases per Social Service Worker (3,791/80). The division will require **49 (3,920/80)** or two additional workers in the second year and **51 (4,054/80)** or two additional SSW positions in the third year.

The division also will need **five (5) Home and Community Services Area Supervisor positions** based on current supervision levels of one supervisor for every nine Social Workers. The division will ASSUMPTION (continued)

need **five (5) Office Support Assistant-Keyboards positions to provide clerical support to the Area Supervisors and the Social Service Workers.** The division will add these supervisors and clerical support staff in the first year. An additional supervisor and clerical position will be added in year three.

The forty-seven (47) Social Service Worker IIs will be placed in the following counties/locations in year one:

**Year One:** 1 Greene, 1 Dallas, 1 Christian, 1 Wright, 1 Texas, 1 Jasper, 1 McDonald, 1 Cape Girardeau, 1 Scott, 1 Iron, 1 Pemiscott, 1 Butler, 1 Dunklin, 1 Stoddard, 1 Cass, 2 Jackson, 1 Pettis, 1 Lafayette, 1 Johnson, 1 Buchanan, 1 Caldwell, 1 Livingston, 1 Sullivan, 1 DeKalb, 1 Worth, 1 Macon, 1 Monroe, 1 Adair, 1 Knox, 1 Scotland, 1 Lincoln, 1 Warren, 2 Boone, 1 Camden, 1 Callaway, 1 Gasconade, 1 Crawford, 1 Phelps, 1 Washington, 4 St. Louis (2 Wainwright, 2 Prince Hall), 1 Franklin, 1 Jefferson

**Year Two** of the program (2 additional workers): 1 Stone, 1 Platte,

**Year Three** of the program (2 additional workers): 1 Linn, 1 St. Louis (Brooks Drive)

**Year One:** Five Area Supervisor and Office Support Assistant-Keyboards positions will be placed: 1 Texas, 1 Pemiscott, 1 Cass, 1 Monroe, 1 Phelps

**Year Three** of the program one Area Supervisor and one Office Support Assistant-Keyboards will be placed: St. Louis (Brooks Drive)

Social Service Worker Duties include the responsibility for the investigation of hotlines, pre-long term care screenings, the eligibility determination and authorization of state-funded in-home services; provide oversight and accountability for the performance of the SSWs including case review, evaluation, and guidance. Office Support Assistant-Keyboards duties include providing all clerical support to the HCS Area Supervisor and Social Service Workers.

**Both divisions:**

Based on statewide guidelines and previous experience, the following amounts represents the average annual expense of an FTE:

Rent (statewide average)-\$2,700 per FTE (\$13.50 per sq. ft. x 200 sq. ft).

Utilities-\$320 per FTE (\$1.60 per sq. ft. x 200 sq. ft).

Janitorial/Trash-\$200 per FTE (\$1.00 per sq. ft x 200 sq. ft).

Travel and Other Expenses-\$5,000 per FTE for professional staff.

Office and Communication Expenses - \$4,800 per FTE for all staff.

In addition to the above standard costs, systems furniture for the new Social Service Workers and Office Support Assistant-Keyboards positions in Wright, Texas, Cape Girardeau, Scott, Pemiscott, Butler, Dunklin, Stoddard, Cass, Jackson, Pettis, Buchanan, Macon, Scotland,

Lincoln, Boone, Callaway, Gasconade, Crawford, Prince Hall in St. Louis, will be needed at a cost of \$4,500 per FTE. ASSUMPTION (continued)

FY2003 costs are based on the ten (10) month period September 1, 2002 through June 30, 2003. FY2004 and FY2005 costs include a 3.0% inflation adjustment for expense and equipment costs and a 2.5% inflation adjustment for personal services.

**Oversight** assumes the DOH would hire the necessary staff to maintain the current Social Services Worker (SSW) caseload of approximately 139 cases per caseworker and would place those SSWs in the counties having the greatest need. However, we are ranging the costs associated with implementing the proposed legislation based on current caseload standards to the caseload standards recommended by the caseload study.

Officials from the **Department of Social Services - Division of Family Services (DOS-DFS), Income Maintenance Unit (IMU)** stated there are 12,298 Qualified Medicare Beneficiary (QMB) cases of which 68% have resources greater than the current Medicaid maximums of \$1,000 for a single person and \$2,000 for a couple. There are 7,771 Specified Low-income Medicare Beneficiary (SLMB) cases of which 78% have resources greater than the current Medicaid maximums of \$1,000 for a single person and \$2,000 for a couple. This data is based on average persons receiving monthly for FY 2001 and should provide the most current count of individuals impacted. Source of data: DOS Research and Evaluation.

|      |  |
|------|--|
| QMB  | $12,298 \times 68\% = 8,362.64$ or 8,363 |
| SLMB | $7,771 \times 78\% = 6,061.38$ or 6,061  |

Effective 07/01/02 the income limits increase annually to 80%, 90%, and 100% of the federal poverty level. This will impact the number of households eligible for full Medicaid benefits. A percentage of the current QMB households will be eligible for full Medicaid versus incurring a quarterly spenddown. For the SLMB population, the income limits are greater than 100% of the FPL therefore, the portion of this population affected by the resource changes would be spenddown only.

It is anticipated that 62% of the total population would qualify for the single resource maximum and 38% of the total population would qualify for the couple resource maximum, as reported by the Health Care Finance Administration (Medicare Current Beneficiary Survey Data Tables, 1998, Table 1.)

Projections indicate that 62% of the current QMB and SLMB program participants are living alone. The DFS estimates that 67%  $[(\$3,000-\$1,000)/(\$4,000-\$1,000)]$  of this population would be eligible for Medicaid based on the increased resource limits.

ASSUMPTION (continued)

|              |   |
|--------------|---|
| 8,363        | Active QMB cases  |
| <u>x 62%</u> | % living alone  |
| 5,185        | # QMB living alone  |
| <u>x 67%</u> | % living alone with resources between \$1,000 and \$3,000 |
| 3,474        | # of new single eligibles from QMB population             |

|              |   |
|--------------|---|
| 6,061        | Active SLMB cases   |
| <u>x 62%</u> | % living alone  |
| 3,758        | # SLMB living alone                                       |
| <u>x 67%</u> | % living alone with resources between \$1,000 and \$3,000 |
| 2,518        | # of new single eligibles from SLMB population            |

It is anticipated that 38% of the current Qualified Medicare Beneficiary (QMB) and Specified Low-income Medicare Beneficiary (SLMB) program participants are living with a spouse. Approximately 75% [(\$5,000-\$2,000)/(\$6,000-\$2,000)] of this population would be eligible for Medicaid based on the increased resource limits.

|              |   |
|--------------|---|
| 8,363        | Active QMB cases  |
| <u>x 38%</u> | % living with spouse                                      |
| 3,178        | # QMB living with spouse                                  |
| <u>x 75%</u> | % living alone with resources between \$2,000 and \$5,000 |
| 2,384        | # of new couple eligibles from QMB population             |

|              |   |
|--------------|---|
| 6,061        | Active SLMB cases   |
| <u>x 38%</u> | % living with spouse                                      |
| 2,303        | # SLMB living with spouse                                 |
| <u>x 75%</u> | % living alone with resources between \$2,000 and \$5,000 |
| 1,727        | # of new couple eligibles from SLMB population            |

The global Medicare population in Missouri is 854,472. Approximately 10% of the current Medicare population are eligible for QMB benefits but have not applied. This group is the new population from outside of the current welfare rolls to seek Medicaid benefits. (Source: Department of Health and Social Services, Health Care Financing Administration as of 9/30/00)

|         |                            |
|---------|----------------------------|
| 854,472 | Medicare Population        |
| 529,773 | Living Alone (62%)         |
| 324,699 | Living with a Spouse (38%) |

ASSUMPTION (continued)

Approximately 6.7%  $\left(\frac{(\$3,000-\$1,000)}{(\$4,000-\$1,000)} \times 10\%\right)$  of the single Medicare population will be eligible to apply for Medicaid under the new expanded resource limits. Further, it is anticipated that 5% of this population will apply and be found eligible for Medicaid.

|         |   |
|---------|---|
| 529,773 | Medicare Population Living Alone                  |
| x 6.7%  | % eligible to apply                               |
| 35,495  |   |
| x 5%    | % applying and found eligible                     |
| 1,775   | New single eligibles from the Medicare population |

Approximately 7.5%  $\left(\frac{(\$5,000-\$2,000)}{(\$6,000-\$2,000)} \times 10\%\right)$  of the Medicare population living with a spouse will be eligible to apply for Medicaid under the new expanded resource limits. Further, it is anticipated that 5% of this population will apply and be found eligible for Medicaid.

|         |   |
|---------|---|
| 324,699 | Medicare Population Living with a Spouse          |
| x 7.5%  | % eligible to apply                               |
| 24,352  |   |
| x 5%    | % applying and found eligible                     |
| 1,218   | New couple eligibles from the Medicare population |

### **Fiscal Impact - Expanded Resource and Income Limits**

Total populations included

|               |   |
|---------------|---|
| 3,474         | New single eligibles from QMB population          |
| 2,518         | New single eligibles from SLMB population         |
| 2,384         | New couple eligibles from QMB population          |
| 1,727         | New couple eligibles from SLMB population         |
| 1,775         | New single eligibles from the Medicare population |
| + 1,218       | New couple eligibles from the Medicare population |
| <u>13,096</u> | Total New Eligibles                               |

The Active QMB/SLMB only cases, and additional spenddown cases that are currently being maintained in a caseload, will not require additional staff for the DFS.

|         |   |
|---------|---|
| 1,775   | New single eligibles from the Medicare population |
| + 1,218 | New couple eligibles from the Medicare population |
| 2,993   | New Eligibles from the Medicare population        |

ASSUMPTION (continued)

HW-C:LR:OD (12/01)

An average adult Medicaid caseload is 480 cases.

$2,993 / 480 = 6.24$  or 6 new Caseworker FTEs needed to maintain new cases. Caseworker duties and responsibilities include taking and process applications for eligibility, respond and answer both written and telephone requests for information on reported changes, and maintain all active cases in caseload. Annual salary for a Caseworker is \$29,040.

One Clerk Typist II is needed to support 3.97 professional staff. The DFS will need 2 Clerk Typist II ( $6/3.97=1.51$  or 2) to support the additional caseworkers. Clerk Typist II duties include maintaining reports, typing letters, systems information (input/extraction), filing, accepting incoming phone calls for messages, maintaining stocks of supplies and forms, and other essential duties as support staff. Annual salary for a Clerk Typist II is \$20,472.

### **Equipment and Expenses (E & E)**

#### **One Time Costs: (For FY 2003)**

Office Equipment (includes systems furniture, lateral file, chair, side chair, calculator, PC, PC software, desktop printer, phone installation, and data line): **\$8,785**

#### **On-Going Costs for FY-2003 (Costs based on a 10 month year. 0.833 will be used to represent 10 months.)**

|                 | Full Year | 10 Month Year |            |
|-----------------|-----------|---------------|------------|
| Office Space    | 2700      | x 0.833 =     | \$2,249    |
| Utilities       | 520       | x 0.833 =     | 433        |
| Office Supplies | 300       | x 0.833 =     | 250        |
| Copy Machine    | 200       | x 0.833 =     | 167        |
| Data Line       | 60        | x 0.833 =     | 50         |
| Phone Usage     | 500       | x 0.833 =     | 417        |
| DDP Maintenance | 124       | x 0.833 =     | <u>103</u> |
| Sub-Total       |           |               | \$3,669    |

#### ASSUMPTION (continued)

#### **On-Going Costs: (FY 2004 & 2005)**

Full Year



|                 |                |           |
|-----------------|----------------|-----------|
| Office Space    | \$2,700        |           |
| Office Supplies | 300            |           |
| Copy Machine    |                | 200       |
| Utilities       | 520            |           |
| Data Line       | 60             |           |
| Phone Usage     | 500            |           |
| DDP Maintenance | <u>124</u>     |           |
| Sub-Total       | \$4,404 x 2 =  | \$8,808   |
| Total E&E       | \$21,262 x 8 = | \$170,096 |

### Travel Expenses

Travel expenses of \$225 per year are being anticipated for caseworker FTEs

|            |                                   |
|------------|-----------------------------------|
| \$225      | Annual travel cost per Caseworker |
| x <u>6</u> | # of new Caseworker FTE's         |
| \$1,350    | Annual travel cost                |

Officials from the **DOS - Division of Legal Services (DLS)** stated the DFS projected that roughly 13,096 persons are in the eligible universe for this program. Should the DFS alter its estimate of the number of persons in this eligible universe, the alteration would change the other assumptions made in this fiscal note and result in a need for the DLS to amend its fiscal note accordingly.

Assuming 13,096 in the eligible universe, it is further assumed that at least 10% (or 1,310) of those persons will be denied participation in this program by DFS. Assuming that 10% of those denied participation choose to appeal that decision, the Hearings Unit of the DLS would be called upon to process 131 new hearings per year. Assuming 4 hours per case for a hearing officer to process each appeal from onset to final decision, hearing officers would expend 524 hours on these 131 hearings. This would require no additional hearing officers to handle the additional workload (4 hours/case x 131 cases = 524 hours/2,080 hours per attorney year = 0.252 new attorneys). There would be no need for support staff at the hearings level since there would be no need for additional hearings officers. It is anticipated that the DLS Hearings Unit would be able to absorb this additional workload using its present resources.

### ASSUMPTION (continued)

The Litigation Section of DLS would be responsible for the 10% of adverse determinations produced by the Hearings Unit that would seek review in circuit court. This would create 13 new appeal cases to work through the Litigation Section. Further estimating 16 hours per case

(attorney time only), DLS would have to find sufficient staff to work approximately 208 hours of attorney time (16 hours/case x 13 cases). DLS attorneys have a work year of 2,080 hours/attorney. DLS anticipates that it would require no additional full-time attorneys to handle the additional appellate workload (208 hours/2,080hours per attorney per year = 0.1 new attorneys). Using a ratio of 1 FTE support staff for every 2 attorneys, no new FTE support staff would be required to handle the increased workload.

As noted above, there will be additional workload on both hearings and litigation created by this legislation, but it will not result in the need for one or more FTEs. It is anticipated that the costs to this Division will be less than \$100,000 per year.

**Oversight** assumes that since no new attorneys and support staff are needed by the DOS-DLS that costs can be absorbed within existing resources.

Officials from the **DOS - Division of Medical Services (DMS)** stated the DMS expects a fiscal impact because of changes to the resource limits. Higher costs will result from one group of Medicaid eligibles who currently receive limited medical benefits but will receive full Medicaid benefits under this legislation. New eligibles are also expected to enter the Medicaid program because of the change in eligibility rules.

The DFS identified the population that is being proposed for full medical assistance. The population includes Qualified Medicare Beneficiary (QMB) and Specified Low-Income Medicare Beneficiary (SLMB). It is estimated that 5,858 QMBs and 4,245 SLMBs (10,103 total) will receive full Medicaid benefits in FY 03. The estimate for FY 04 is 10,446 (6,057 QMBs and 4,389 SLMBs). The FY 05 projection is 10,801 (6,263 QMBs and 4,538 SLMBs). A 3.4% caseload growth trend factor was applied to FY 04 and FY 05.

Currently Medicaid pays the Part A and Part B premiums and Medicare coinsurance and deductibles for QMB-only eligibles and the Part B premium for SLMB eligibles. The DMS assumes an additional cost of \$171 per month for this population in FY 02. The DMS used a 4% (fiscal note standard for medical care) increase in medical cost each year. FY 03 - \$177.84; FY 04 - \$184.95; and FY 05 - \$192.35.

#### ASSUMPTION (continued)

The number of new cases who become Medicaid eligible as a result of this legislation is expected to be 2,993 in FY 03. The estimate for FY 04 is 3,095 and 3,200 in FY 05. The estimate was provided by the DFS. A 3.4% caseload growth trend factor was applied to FY 04 and FY 05. A 10 month phase-in of eligibles was used.

The cost per eligible for the new cases is a weighted average of the last 3 months of actual costs for the OAA and PTD eligibles. The calculation does not include NF and State Institution expenditures. **Note:** The cost per eligible includes costs for mental health services (General Revenue is appropriated to the Department of Mental Health).

More eligibles will result in more claims processed which will result in higher payments to the contractor. It is projected the additional claims will result in increased payments to the claims processing contractor each year.

| <u>FISCAL IMPACT - State Government</u>          | FY 2003<br>(10 Mo.) | FY 2004            | FY 2005            |
|--|---------------------|--------------------|--------------------|
| <b>GENERAL REVENUE</b>                           |                     |                    |                    |
| <u>Costs - Department of Social Services -</u>   |                     |                    |                    |
| <u>Division of Family Services</u>               |                     |                    |                    |
| Personal Service (5.36 FTE)                      | (\$114,201)         | (\$143,296)        | (\$146,878)        |
| Fringe Benefits                                  | (\$41,124)          | (\$51,601)         | (\$52,890)         |
| Equipment and Expense                            | (\$67,504)          | (\$25,245)         | (\$26,003)         |
| Total <u>Costs</u> - Division of Family Services | <u>(\$222,829)</u>  | <u>(\$220,142)</u> | <u>(\$225,771)</u> |

| <u>FISCAL IMPACT - State Government</u>   | FY 2003<br>(10 Mo.)                                    | FY 2004  | FY 2005  |
|---|--|--|--|
| <u>Costs - Department of Social Services -<br/>Division of Medical Services</u> |  |  |  |
| Expanded Resource Limits  | (\$12,730,454)   | (\$22,525,623)   | (\$24,222,125)   |
| Processing Costs  | <u>(\$50,000)</u>                                      | <u>(\$50,000)</u>                                      | <u>(\$50,000)</u>                                      |
| Total <u>Costs</u> - Division of Medical<br>Services                            | <u>(\$12,780,454)</u>                                  | <u>(\$22,575,623)</u>                                  | <u>(\$24,272,125)</u>                                  |
|   | <u>(Unknown<br/>exceeding</u>                          | <u>(Unknown<br/>exceeding</u>                          | <u>(Unknown<br/>exceeding</u>                          |
| Total <u>Costs</u> - Department of Social<br>Services                           | <u>\$12,780,454)</u>                                   | <u>\$22,795,765)</u>                                   | <u>\$24,497,896)</u>                                   |
| <u>Costs - Department of Health and Senior<br/>Services</u>                     |  |  |  |
| Personal Service Costs (23.75 FTE to<br>41.95 FTE)                              | (\$573,475 to<br>\$973,723)                            | (\$726,163 to<br>\$1,239,215)                          | (\$765,871 to<br>\$1,350,729)                          |
| Fringe Benefits   | (\$206,508 to<br>\$350,638)                            | (\$261,491 to<br>\$446,241)                            | (\$275,790 to<br>\$486,398)                            |
| Equipment and Expense   | <u>(\$570,176 to<br/>\$778,602)</u>                    | <u>(\$548,566 to<br/>\$693,556)</u>                    | <u>(\$574,387 to<br/>\$753,593)</u>                    |
| Total <u>Costs</u> - Department of Health and<br>Senior Services                | <u>(\$1,350,159 to<br/>\$2,102,963)</u>                | <u>(\$1,536,220 to<br/>\$2,379,012)</u>                | <u>(\$1,616,048 to<br/>\$2,590,720)</u>                |
| <b>NET ESTIMATED<br/>EFFECT ON<br/>GENERAL REVENUE FUND</b>                     | <b><u>(Unknown<br/>exceeding<br/>\$14,130,613)</u></b> | <b><u>(Unknown<br/>exceeding<br/>\$24,331,985)</u></b> | <b><u>(Unknown<br/>exceeding<br/>\$26,113,944)</u></b> |

## **FEDERAL FUNDS**

### Income - Department of Social Services - Division of Family Services

|   |           |           |           |
|---|-----------|-----------|-----------|
| Medicaid Reimbursements for Qualified<br>Expenses | \$109,751 | \$108,427 | \$111,201 |
|---|-----------|-----------|-----------|

### Income - Division of Medical Services

|   |              |              |              |
|---|--------------|--------------|--------------|
| Medicaid Reimbursements - Expanded<br>Resource Limits | \$20,155,383 | \$35,575,029 | \$38,254,339 |
|---|--------------|--------------|--------------|

| <u>FISCAL IMPACT - State Government</u>                                    | FY 2003<br>(10 Mo.)                     | FY 2004                                 | FY 2005                                 |
|--|---|---|---|
| Medicaid Reimbursements - Processing Costs                                 | <u>\$50,000</u>                         | <u>\$50,000</u>                         | <u>\$50,000</u>                         |
| Total <u>Income</u> - Department of Social Services                        | <u>Unknown exceeding \$20,265,134</u>   | <u>Unknown exceeding \$35,733,456</u>   | <u>Unknown exceeding \$38,415,540</u>   |
| <u>Income - Department of Health and Senior Services</u>                   |   |   |   |
| Medicaid Reimbursement for Qualified Expenses                              | <u>\$632,579 to \$1,035,997</u>         | <u>\$712,417 to \$1,163,563</u>         | <u>\$751,956 to \$1,274,143</u>         |
| Total <u>Income</u> - Department of Health and Senior Services             | <u>\$632,579 to \$1,035,997</u>         | <u>\$712,417 to \$1,163,563</u>         | <u>\$751,956 to \$1,274,143</u>         |
| <u>Costs - Department of Social Services - Division of Family Services</u> |   |   |   |
| Personal Service (2.64 FTE)  | <u>(\$56,248)</u>                       | <u>(\$70,578)</u>                       | <u>(\$72,343)</u>                       |
| Fringe Benefits  | <u>(\$20,255)</u>                       | <u>(\$25,415)</u>                       | <u>(\$26,051)</u>                       |
| Equipment and Expense  | <u>(\$33,248)</u>                       | <u>(\$12,434)</u>                       | <u>(\$12,807)</u>                       |
| Total <u>Costs</u> - Division of Family Services                           | <u>(\$109,751)</u>                      | <u>(\$108,427)</u>                      | <u>(\$111,201)</u>                      |
| <u>Costs - Division of Medical Services</u>                                |   |   |   |
| Medicaid Benefits - Expanded Resource Limits                               | <u>(\$20,105,383)</u>                   | <u>(\$35,575,029)</u>                   | <u>(\$38,254,339)</u>                   |
| Processing Costs   | <u>(\$50,000)</u>                       | <u>(\$50,000)</u>                       | <u>(\$50,000)</u>                       |
| Total <u>Costs</u> - Division of Medical Services                          | <u>(\$20,155,383)</u>                   | <u>(\$35,625,029)</u>                   | <u>(\$38,304,339)</u>                   |
| Total <u>Costs</u> - Department of Social Services                         | <u>(Unknown exceeding \$20,265,134)</u> | <u>(Unknown exceeding \$35,733,456)</u> | <u>(Unknown exceeding \$38,415,540)</u> |
| <u>Costs - Department of Health and Senior Services</u>                    |   |   |   |
| Personal Service Costs (12.25 FTE to 22.05 FTE)                            | <u>(\$295,924 to \$511,442)</u>         | <u>(\$375,179 to \$651,439)</u>         | <u>(\$396,165 to \$711,089)</u>         |
| Fringe Benefits  | <u>(\$106,562 to \$184,170)</u>         | <u>(\$135,102 to \$234,583)</u>         | <u>(\$142,659 to \$256,063)</u>         |
| Equipment and Expense  | <u>(\$230,093 to \$340,385)</u>         | <u>(\$202,136 to \$277,541)</u>         | <u>(\$213,132 to \$306,991)</u>         |

| <u>FISCAL IMPACT - State Government</u>                | FY 2003<br>(10 Mo.)           | FY 2004                       | FY 2005                       |
|--|-------------------------------|-------------------------------|-------------------------------|
| Total Costs - Department of Health and Senior Services | (\$632,579 to<br>\$1,035,997) | (\$712,417 to<br>\$1,163,563) | (\$751,956 to<br>\$1,274,143) |

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| <b>NET ESTIMATED EFFECT ON<br/>FEDERAL FUNDS*</b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
|---|-------------------|-------------------|-------------------|

**\* Revenues and expenses unknown to exceed \$37 million annually and net to \$0.**

| <u>FISCAL IMPACT - Local Government</u> | FY 2003<br>(10 Mo.) | FY 2004           | FY 2005           |
|---|---------------------|-------------------|-------------------|
|   | <b><u>\$0</u></b>   | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

#### FISCAL IMPACT - Small Business

The proposed legislation may have an indeterminate negative fiscal impact on long-term care facilities if their statement of deficiencies are published in the local newspaper.

#### DESCRIPTION

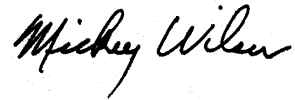
This bill requires the final inspection report for a long-term care facility to be published in a local newspaper within 30 days of the submission of the report. The report must include certain information about the deficiencies, based on the number and type of deficiency. The bill also allows long-term care facilities to place up to \$50 of a resident's funds in a petty cash fund for the resident's personal needs.

The bill increases the resource limits for public assistance eligibility from \$1,000 to \$3,000 for an individual and from \$2,000 to \$5,000 for a married couple.

This legislation is not federally mandated and would not duplicate any other program.

#### SOURCES OF INFORMATION

Department of Social Services  
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized 'M' and 'W'.

Mickey Wilson, CPA  
Acting Director  
February 5, 2002